

Financial Results Briefing Session for the Six Months Ended September 30, 2025 (Main)

November 18, 2025
PACIFIC METALS CO., LTD.

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Financial Results Briefing Session for the Six Months Ended September 30, 2025 (Main)

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Section 1: Financial Results for the Six Months Ended September 30, 2025

Financial Results for the Six Months Ended September 30, 2025

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1. Financial results for the six months (Summary)

	Results for the fiscal year ended September 30, 2024		Forecast for the fiscal year ended September 30, 2025 (Announced on Aug. 7)		Results for the fiscal year ended September 30, 2025		Year-on-year (%)	Vs Forecast announced on Aug.7 (%)
	Amount (million yen)	Profit rate (%)	Amount (million yen)	Profit rate (%)	Amount (million yen)	Profit rate (%)		
Net sales	7,835	—	4,148	—	4,463	—	△43.0	7.6
Operating profit (loss)	△4,468	△57.0	△4,434	△106.9	△4,042(*)	△90.6	—	—
Ordinary profit (loss)	△2,316	△29.6	△2,039	△49.2	△1,086(*)	△24.3	—	—
Profit (loss) attributable to owner of parent	△1,877	△24.0	△2,187	△52.7	△1,095(*)	△24.5	—	—
(Investment)	178	—	—	—	246	—	38.2	—
(Depreciation)	172	—	—	—	193	—	12.2	—

(*) Includes 0.4 billion yen of reversal of inventory write-downs (result for the fiscal year ended Sep. 30, 2025).

	Results for the fiscal year ended September 30, 2024		Forecast for the fiscal year ended September 30, 2025 (Announced on Aug. 7)		Results for the fiscal year ended September 30, 2025		Year-on-year (%)	Vs Forecast announced on Aug.7 (%)
	Amount (million yen)	Profit rate (%)	Amount (million yen)	Profit rate (%)	Amount (million yen)	Profit rate (%)		
Production volume (Ni t)	2,010		1,830		1,787		△11.1	△2.3
Sales volume (Ni t)	3,284		1,734		1,890		△42.4	9.0
Applicable LME nickel price (US\$/t)	17,747		15,344		15,322		△13.6	△0.1
Applicable LME nickel price (US\$/lb.)	[8.05]		[6.96]		[6.95]			
Applicable exchange rate (¥/US\$)	153.32		146.95		147.83		△3.6	0.6

【Ferronickel Sales Ratio (result for the fiscal year ended Sep. 30, 2025) 】
- For Japan : 100%

Financial Results for the Six Months Ended September 30, 2025

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2. Financial results for the six months (Topics)

Sales environment	- For Japan: Imports of low-cost products expanded, and stainless steel manufacturers continued to reduce production - For export: The outlook is uncertain due to the slump in the stainless steel market, etc.
Ferronickel demand	- Procurement shifted to nickel pig iron (NPI), which is seen to be price competitive - We are also seeing a review of stainless steel scrap blending ratios in light of carbon neutrality, and the trend is slowing
On the procurement front	- Nickel ore prices are high against the backdrop of firm nickel ore demand, etc. - Raw fuel prices are high globally, and production costs remain high
LME nickel prices	- Prices fluctuated within a relatively narrow range amid awareness of a combination of factors, including the stagnation of the Chinese economy, fluctuations in foreign exchange rates and financial capital markets, and escalating tensions in the Middle East and Ukraine
Ferronickel sales volume	- Decreased by 42.4% year-on-year due to the continuation of our policy of strategic volume reduction to avoid undermining a certain level of profitability
Ferronickel sales prices	- The average exchange rate applicable to the Company appreciated by 3.6% year-on-year - The applicable LME nickel price for the Company fell by 13.6% year-on-year - Selling prices were low due to partial reference to nickel pig iron prices, and the difficult sales environment continued

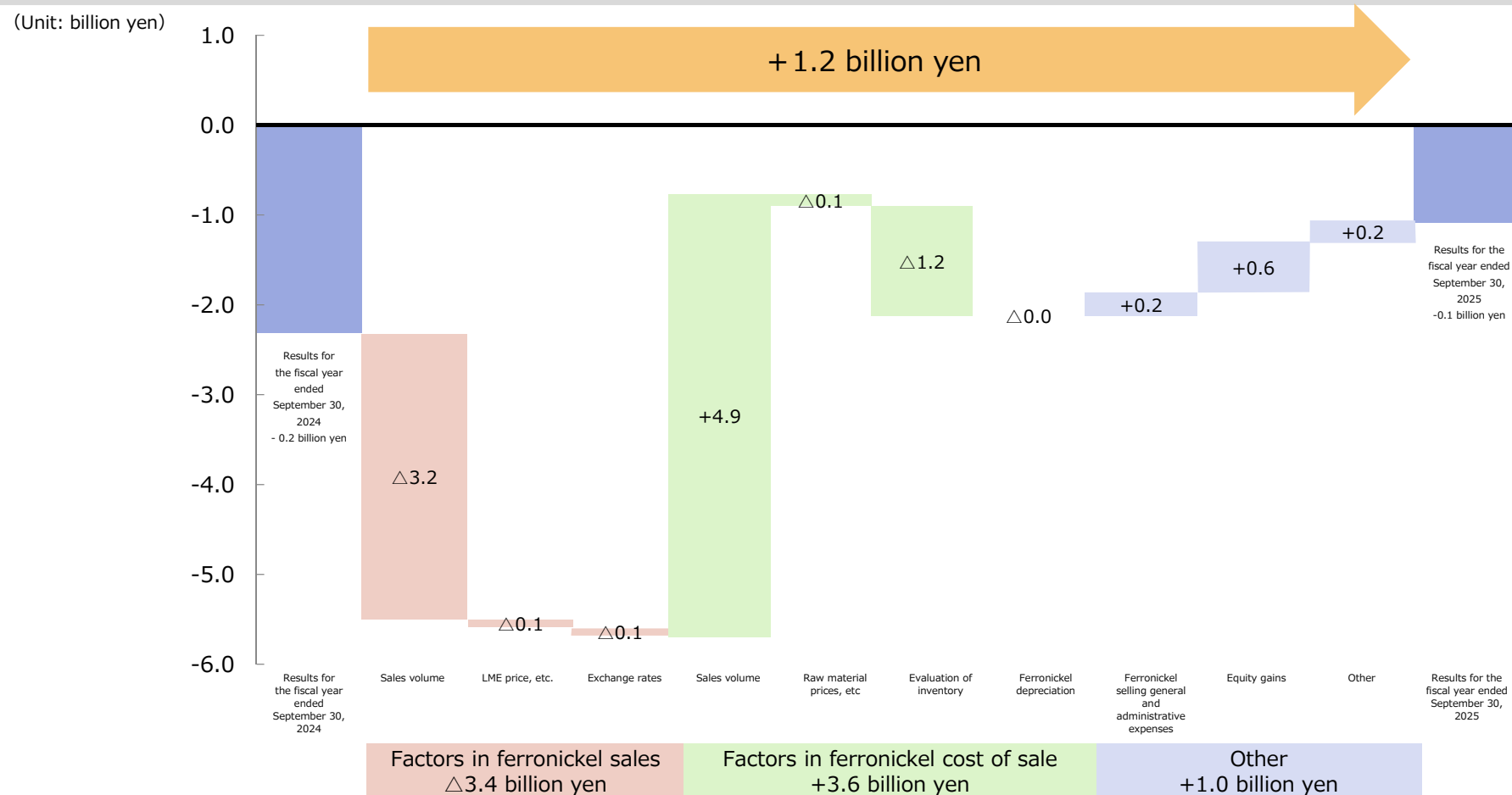
Financial Results for the Six Months Ended September 30, 2025

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3. Consolidated ordinary profit and loss analysis



Section 2: Full-Year Financial Results Forecast for the Fiscal Year Ending March 31, 2025

Full-Year Financial Results Forecast for the Fiscal Year Ending March 31, 2025

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1. Full-year financial results forecast (Summary)

	Results for the fiscal year ended March 31, 2025		Forecast for the fiscal year ending March 31, 2026 (Announced on Aug. 7)		Forecast for the fiscal year ending March 31, 2025 ⁶ (Announced on Oct. 31)		Year-on-year (%)	Vs Forecast announced on Aug.7 (%)
	Amount (million yen)	Profit rate (%)	Amount (million yen)	Profit rate (%)	Amount (million yen)	Profit rate (%)		
Net sales	13,175	—	8,695	—	8,532	—	△35.2	△1.9
Operating profit (loss)	△7,368	△55.9	△6,604	△76.0	△6,494	△76.1	—	—
Ordinary profit (loss)	△1,622	△12.3	△1,428	△16.4	△1,840	△21.6	—	—
Profit (loss) attributable to owner of parent	△1,667	△12.7	△1,636	△18.8	△1,880	△22.0	—	—
(Investment)	386	—	—	—	499	—	29.3	—
(Depreciation)	355	—	—	—	358	—	0.8	—

	Results for the fiscal year ended March 31, 2025			Forecast for the fiscal year ending March 31, 2026 (Announced On Aug. 7)	Forecast for the fiscal year ending March 31, 2026 (Announced on Oct. 31)			Year-on-year (%)	Vs Forecast announced on Aug.7 (%)
	1st half	2nd half	Full year		Results for the 1st half	Forecast for the 2nd half	Forecast for the full year		
Production volume (Ni t)	2,010	1,878	3,888	3,695	1,787	1,842	3,629	△6.7	△1.8
Sales volume (Ni t)	3,284	2,146	5,430	3,735	1,890	1,739	3,629	△33.2	△2.8
Applicable LME nickel price (US\$/t)	17,747	16,138	17,108	15,388	15,322	15,278	15,300	△10.6	△0.6
Applicable LME nickel price (US\$/lb.)	[8.05]	[7.32]	[7.76]	[6.98]	[6.95]	[6.93]	[6.94]		
Applicable exchange rate (¥/US\$)	153.32	149.85	151.94	145.46	147.83	144.41	146.19	△3.8	0.5

【Ferronickel Sales Ratio (Forecast for the fiscal year ending March 31, 2026) 】
- For Japan : 100%

Full-Year Financial Results Forecast for the Fiscal Year Ending March 31, 2025

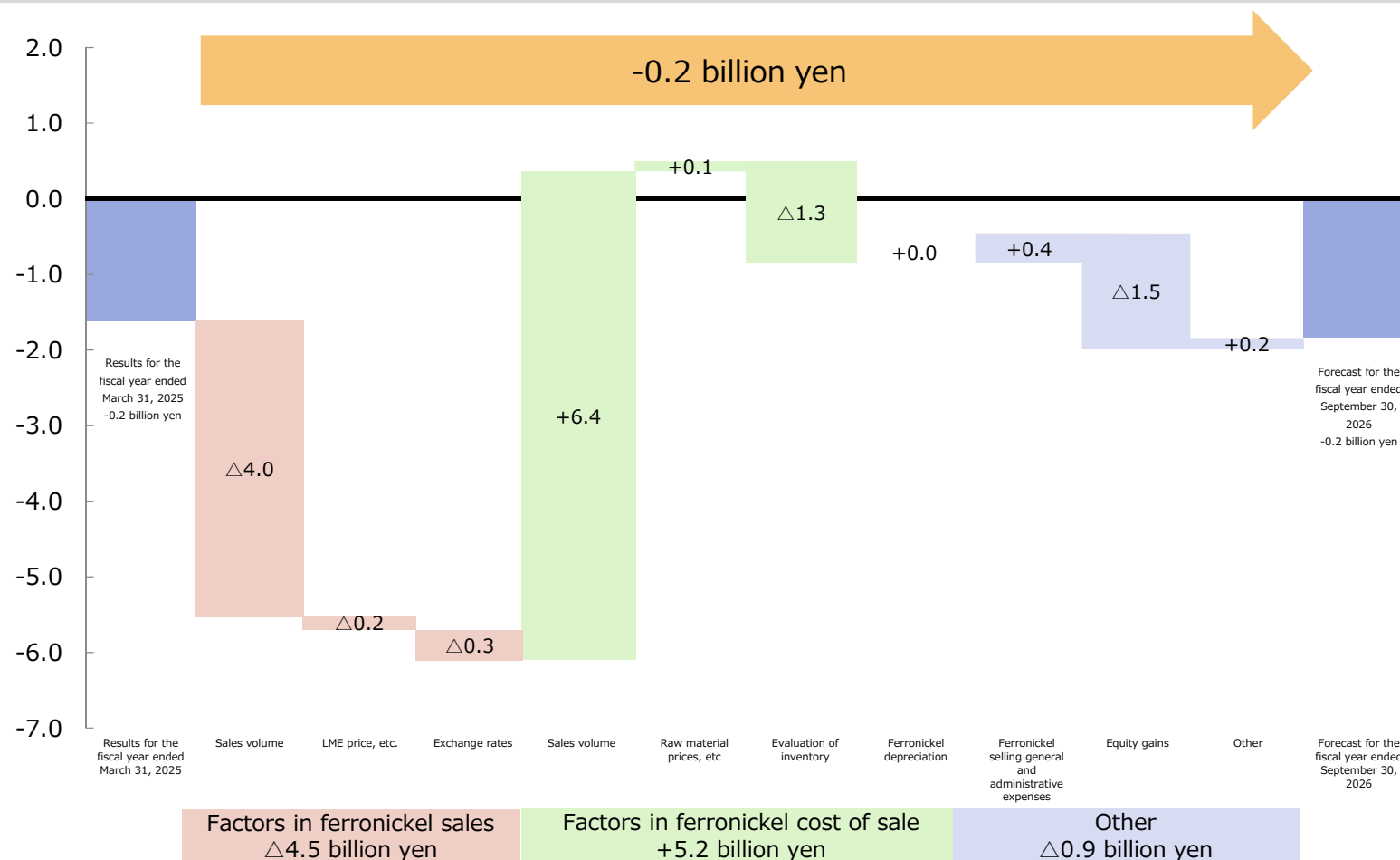
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2. Consolidated ordinary profit and loss analysis

(Unit: billion yen)



Section 3: Progress of Medium to Long-term Strategy PAMCOvision 2031

1. Restructuring of Business Portfolio

We will strive to diversify our business by entering new business areas where we have sown seeds to date

Metal smelting

A world-leading polymetallic nodule metal smelting business utilizing underwater sources

- Considering a polymetallic nodule toll smelting business as a new core business
- Successfully conducted a polymetallic nodule smelting test at commercial-scale facilities

Electricity

A retail electricity business for high-voltage and extra-high-voltage businesses

- Collaborating with local power generation businesses to supply high value-added, locally sourced renewable energy

Functional materials

A beryllium business targeting the nuclear fusion power generation and existing beryllium alloy markets

- With the commercialization of nuclear fusion power generation as a catalyst, the nuclear fusion market is expected to expand significantly, with the nuclear fusion method that requires beryllium expected to account for half the market
- Supplying beryllium to existing markets and materializing potential demand will grow the existing beryllium market

Resources recycling

A calcium aluminate manufacturing and sales business through collaboration with Amita Holdings

- Against the backdrop of a low-carbon society, the shift from blast furnaces to electric arc furnaces is progressing, leading to an expansion in demand for calcium aluminate, which is necessary for removing impurities from electric arc furnace steel

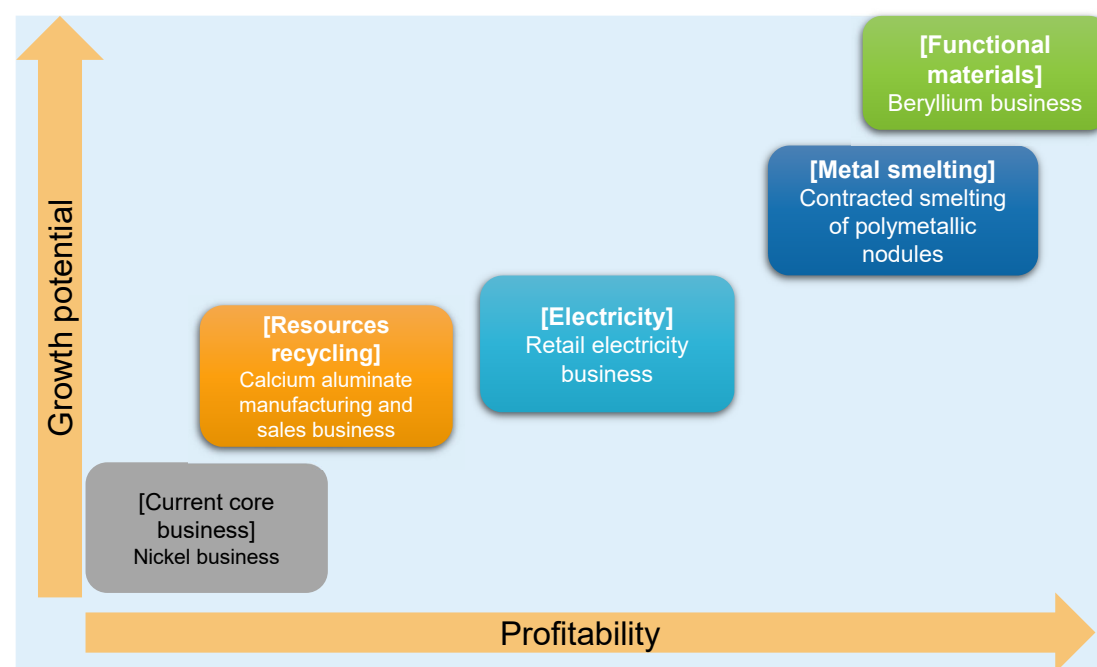
Progress of Medium to Long-term Strategy PAMCOvision 2031

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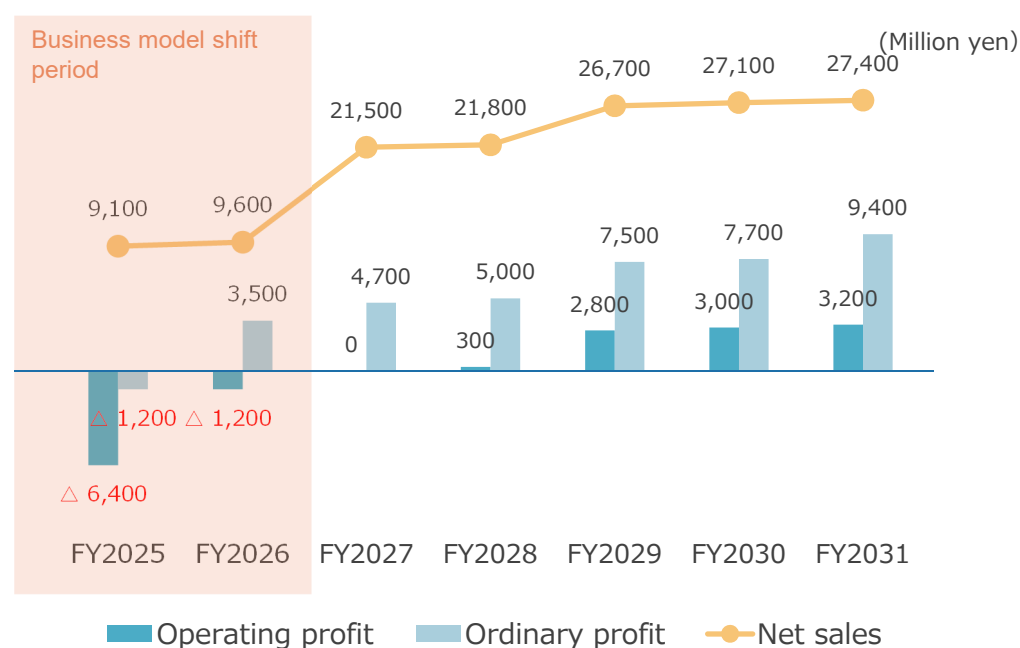
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1. Restructuring of Business Portfolio



Restructuring of Business Portfolio

- Review the business model from scratch and proceed to a new stage
- Formulation of the Medium to Long-term Strategy PAMCOvision 2031
- We will strive to diversify our business by entering new business areas where we have sown seeds to date



Summary of Business Profit and Loss

- By expanding applications in nickel business and launching retail electricity business, aim to achieve operating profit and ensure stable profitability from FY2027

Progress of Medium to Long-term Strategy PAMCOvision 2031

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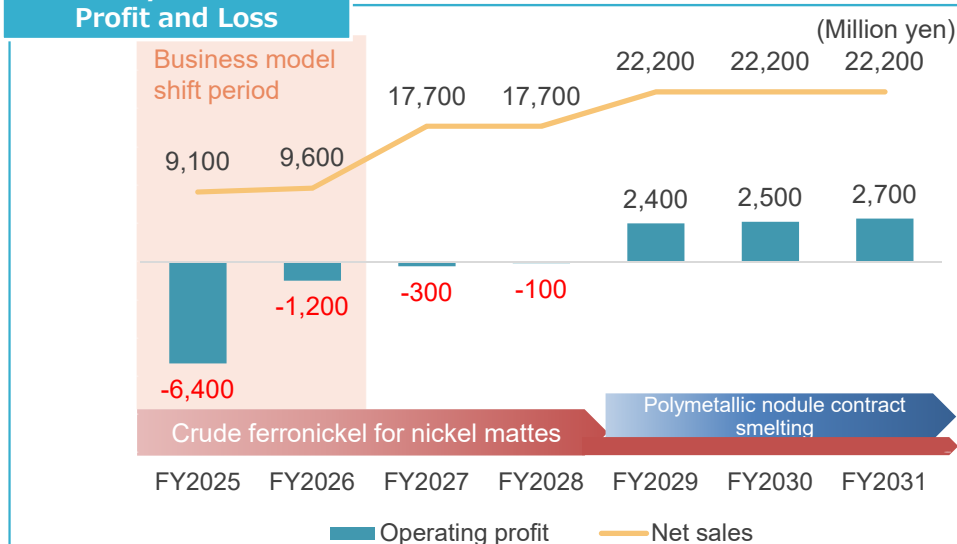
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2. Progress of Each Business ①Metal Smelting Business

Business strategy

- For the nickel business, Pacific Metals aims to achieve a significant improvement in its business profit and loss **by expanding applications from stainless steel raw materials to matte raw materials, and a transition to this new focus** is under consideration
- Furthermore, **energy-related infrastructure**, which consumes large amounts of energy during resource smelting, will be utilized in new businesses. Therefore, Pacific Metals will **ensure it can be utilized swiftly and maintain the system without interruption.**
- The polymetallic nodule business will commence full-scale operation in FY2029; therefore, the Group's business results will be slow for the period from FY2025 to FY2026 due to the shift in business model

Summary of Business Profit and Loss



Progress

Nickel Business (Business for Matte Raw Materials)

- Considering utilization of recycled nickel resources required for the matte raw materials business
- This utilization will trend toward suppressing losses in the Company's current ferronickel business
- Exploring collection routes for recycled nickel resources to ensure continuous procurement

Contracted Smelting of Polymetallic Nodules

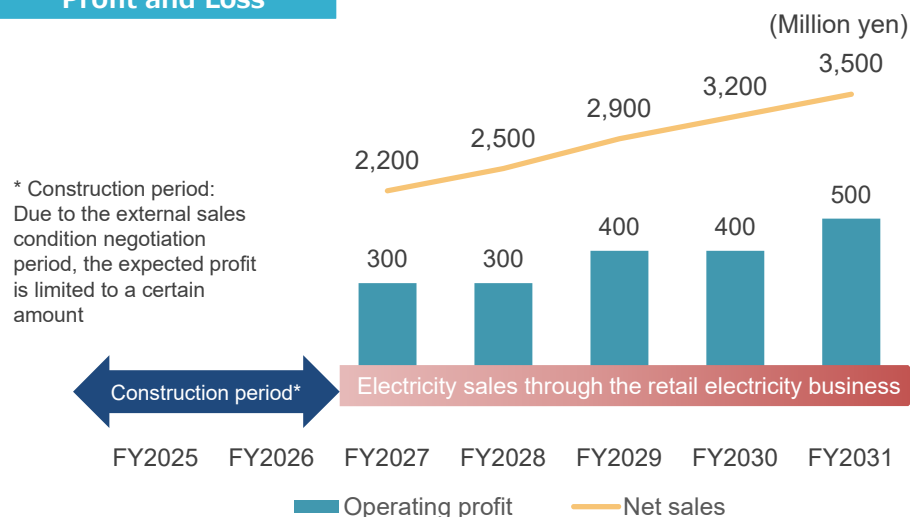
- Completed a feasibility study on contracted smelting of polymetallic nodules
- Examining contracted smelting costs, etc.
- Regarding capital investment, examining the necessary investment schedule, including investment amount, timing, and parts to order
- Aiming for reliable commercialization by exchanging opinions with domestic and international stakeholders to broadly expand the business

2. Progress of Each Business ②Retail Electricity Business

Business strategy

- Establish a retail electricity business for the high-voltage and extra-high-voltage sectors as a retail electricity business operator and aim to enter the electricity market
- Collaborate with local power generation businesses **to supply high-value-added, locally sourced renewable energy power generation**

Summary of Business Profit and Loss



Progress

Start of Retail Electricity Sales

- Started retail electricity sales in April 2025 (Created an “Electricity Sales” page on our website)
- Currently developing sales activities for high-voltage and extra-high-voltage businesses, aiming to cultivate customers mainly in the Tohoku area

Establishment of the Electricity Business Division

- To develop a business that not only sells electricity but meets customer needs by leveraging our know-how in electricity supply and demand, we will establish a specialized department (Electricity Business Division) in October 2025 to further strengthen our organization
- Expanding to supply green electricity generated from non-fossil energy sources such as wind, solar, and biomass

Entry into the VPP Market

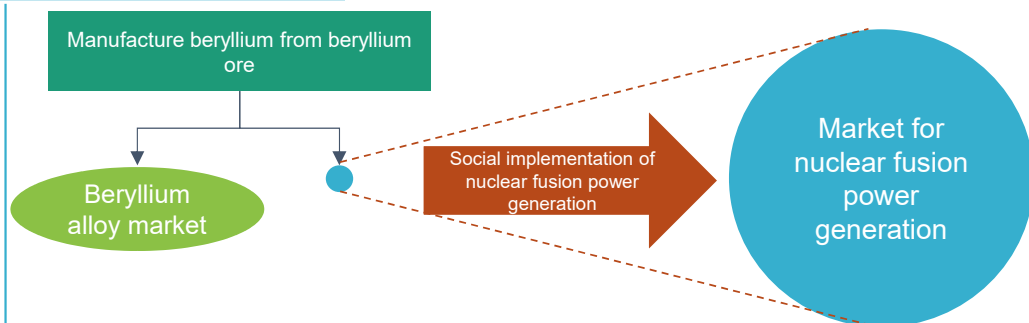
- Among others, entering the “VPP (Virtual Power Plant) market” and utilizing our electricity load adjustment capabilities to boost profits

2. Progress of Each Business ③Beryllium Business(1)

Business Overview

- This business involves producing beryllium products from beryllium ore, with the future aim of selling such products to both the nuclear fusion power generation sector and the established beryllium alloy market
- Beryllium is essential for nuclear fusion power generation, but current issues include “excessively high prices” and “insufficient production volumes,” making the societal implementation of nuclear fusion power generation difficult
- Conventional technology requires high-temperature processing at 2,000°C, resulting in high costs
- A comprehensive business cooperation agreement has been concluded with MiRESSO in October 2024

Outlook for the nuclear fusion power generation market



※The social implementation of fusion power generation requires time, so during this period, we will supply beryllium for fusion power generation demonstration and to the existing beryllium alloy market.

The importance of Pacific Metals' initiatives

- MiRESSO, a certified venture spun off from the National Institutes for Quantum Science and Technology (QST) and based in Aomori Prefecture, aims to contribute to the social implementation of nuclear fusion power generation by commercializing its beryllium business
- With a long-established site in Hachinohe City, Aomori Prefecture, Pacific Metals has the facilities, infrastructure, knowledge, experience, and proven results in producing metals from diverse ores, which can generate numerous synergies in the commercialization of the beryllium business

Growth drivers of the beryllium alloy market

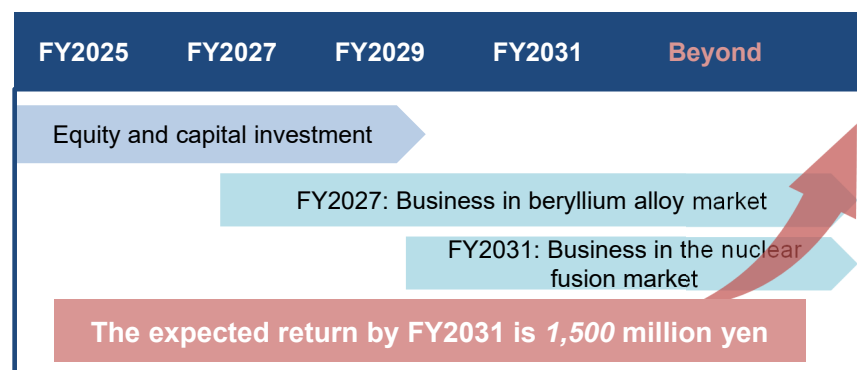
Aerospace and defense	Increasing demand for lightweight, and high-strength materials leads to greater adoption of structural components and precision parts for commercial aircraft, etc.
Automotive	The spread of EVs and the trend towards higher-performance automotive components, alongside efforts to reduce vehicle weight to reduce CO2 emissions
Electronics	Accelerated digitalization is driving expanded demand for materials with high-speed transmission and low-loss properties, as well as high-performance contacts and connectors
Healthcare	A rise in the application of window materials for X-ray apparatuses and the rapid advancement of cutting-edge medical technologies

2. Progress of Each Business ③Beryllium Business(2)

Business strategy

- Pacific Metals expects manufacturing cost reductions to continue due to MiRESSO's innovative smelting technology, coupled with the growth of EVs, leading to an expansion in demand for electronics applications
- A comprehensive business cooperation agreement has been concluded with MiRESSO; the agreement involves the utilization of Pacific Metals' resources and initial equity participation
- **Enter the beryllium alloy market business**, and aim to **enter the nuclear fusion market business and participate as a business** in the future

Summary of Business Profit and Loss



Social implementation of nuclear fusion power generation is expected; investment recovery by FY2035 is possible

Progress

Conclusion of a Capital and Business Cooperation Agreement with MiRESSO Co., Ltd.

- On July 29, 2025, concluded a capital and business cooperation agreement with MiRESSO Co., Ltd. and underwrote a third-party allotment of new shares (*)

(*) Underwrote 1.5 billion yen in a third-party allotment as an investment in the construction of MiRESSO's beryllium production pilot plant "BETA" (a beryllium testing plant in Aomori) at our works

Pilot Plant "BETA"

- The pilot plant is scheduled to be completed at our works during FY2026
- Currently preparing the organizational structure to promptly roll out production and sales
- Progress is currently on track

Toward Increasing Beryllium Production

- Although beryllium is not a major product due to its low production volume, it is an excellent material with a wide range of applications, so we aim to expand our customer base and increase production volume

2. Progress of Each Business ④ Calcium Aluminate Manufacturing and Sales Business

Business strategy

- **The shift from blast furnaces to electric arc furnaces** is anticipated **to drive increased demand for calcium aluminate as a desulfurizing and slag-forming material**
- Pacific Metals will establish a calcium aluminate manufacturing and sales business in collaboration with Amita Holdings, aiming to build an environmental recycling business
- Pacific Metals **will leverage the technologies it has cultivated through its existing businesses** to enhance the added value of recycled raw materials
- Amidst the shift from blast furnaces to electric arc furnaces against the backdrop of transitioning to a low-carbon society, there is an expansion in demand for calcium aluminate, which is necessary for removing impurities from electric furnace steel

Summary of Business Profit and Loss

FY2025	FY2027	FY2029	FY2031	Beyond
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The transition from blast furnaces to electric arc furnaces is expected to drive growth in demand
* An increase of 16,000 tons compared to FY2024

Commercialization starting from FY2025
Expected operating profit by FY2031 is 162 million yen

Demand expected to increase beyond FY2031 as well

Progress

Scheduled Start of Full-Scale Business

- Scheduled a full-scale start of the business from the second half of FY2025; in collaboration with Amita Holdings, we plan to expand sales of a desulfurizing and slag-forming material, focusing on customers who used the samples

Activities to Achieve the Business Plan

- Production: Reducing costs by expanding the use of recycled raw materials, adding high value to calcium aluminate
- Sales: Cultivating customers for trial use, considering sales for other applications



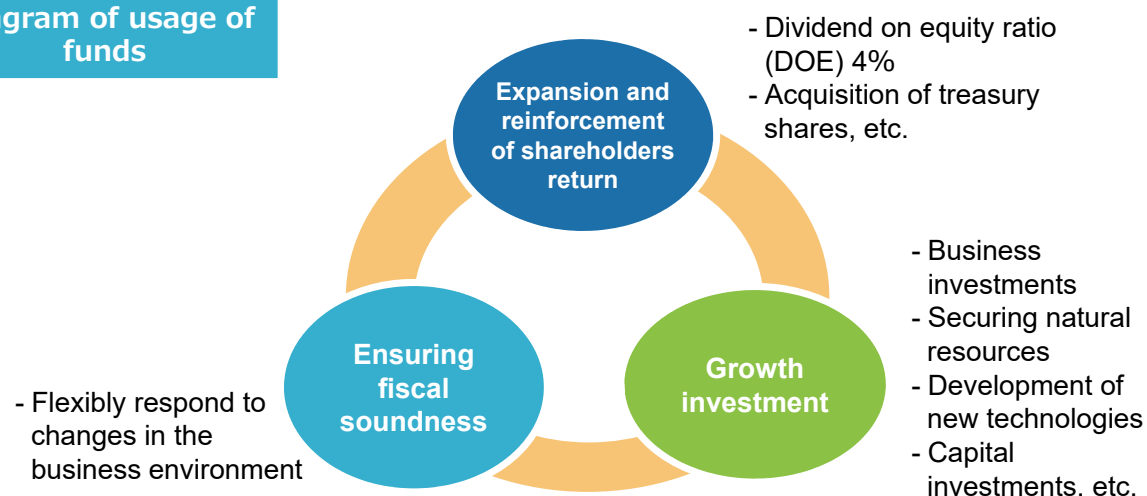
Manufacturing demonstration test



Calcium aluminate 5-30 mm

3. Response to Realize Management That Is Conscious of Cost of Capital and Stock Price (1) Initiatives to Enhance Corporate Value

Diagram of usage of funds



In executing the medium to long-term strategy, aim to realize management that is conscious of cost of capital and stock price

Dividends of surplus

- To secure funds for growth investments aimed at improving return on capital, and to comprehensively consider the balance with shareholder returns, Pacific Metals will clarify its commitment to providing stable dividends to shareholders by revising the previous dividend payout ratio target of 30% and introducing a dividend on equity ratio (DOE) target of 4% as a new indicator

Internal reserve

- Use the internal reserve as a fund to respond functionally to changes in the business environment and utilize it to invest in businesses, make capital investments, and acquire treasury shares as part of capital policies

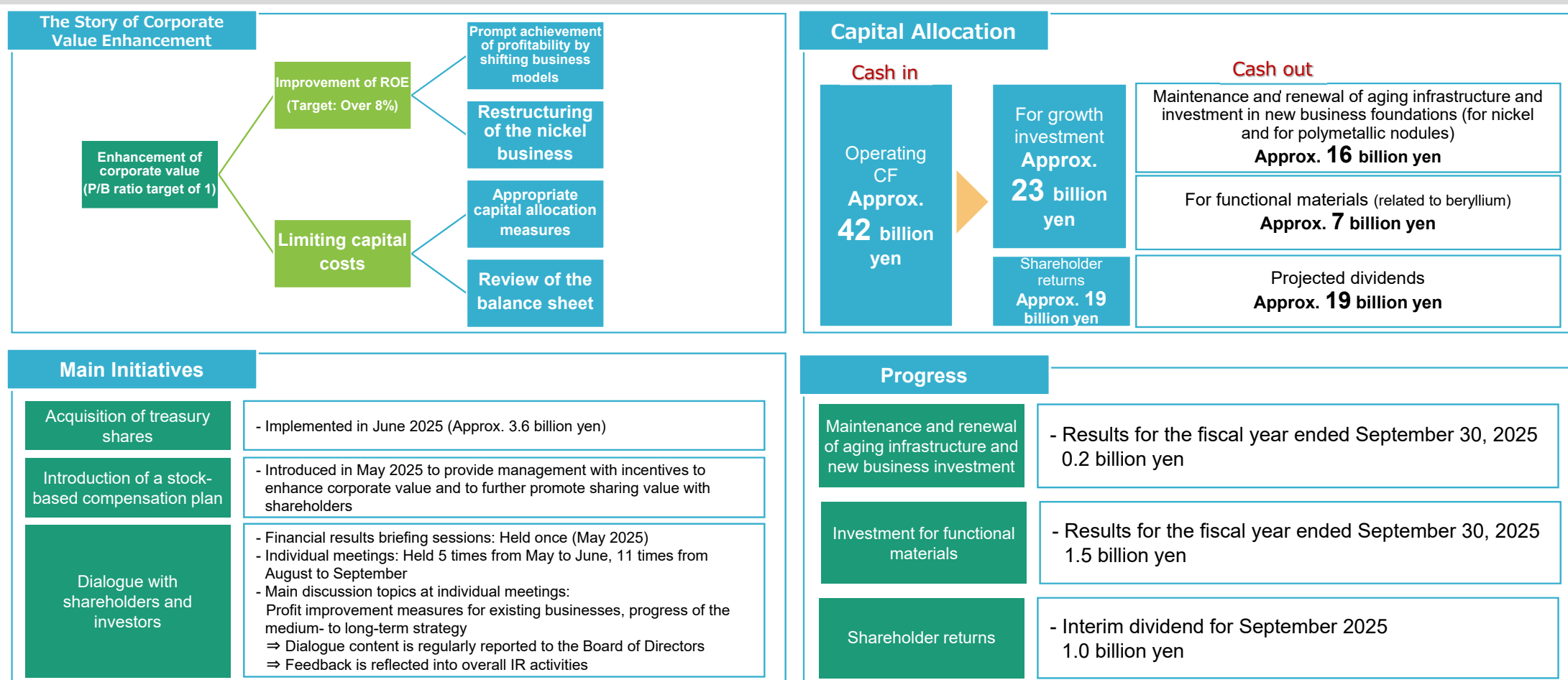
Progress of Medium to Long-term Strategy PAMCOvision 2031

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3. Response to Realize Management That Is Conscious of Cost of Capital and Stock Price (2) Progress

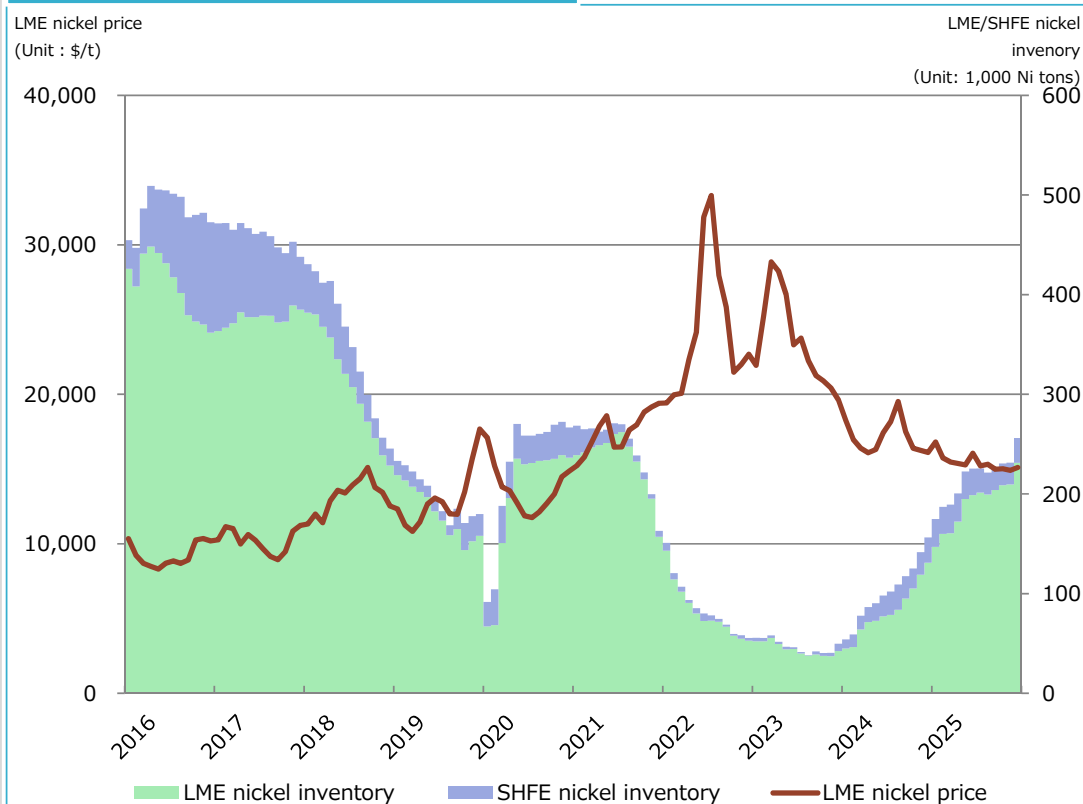


Section 4: Appendices

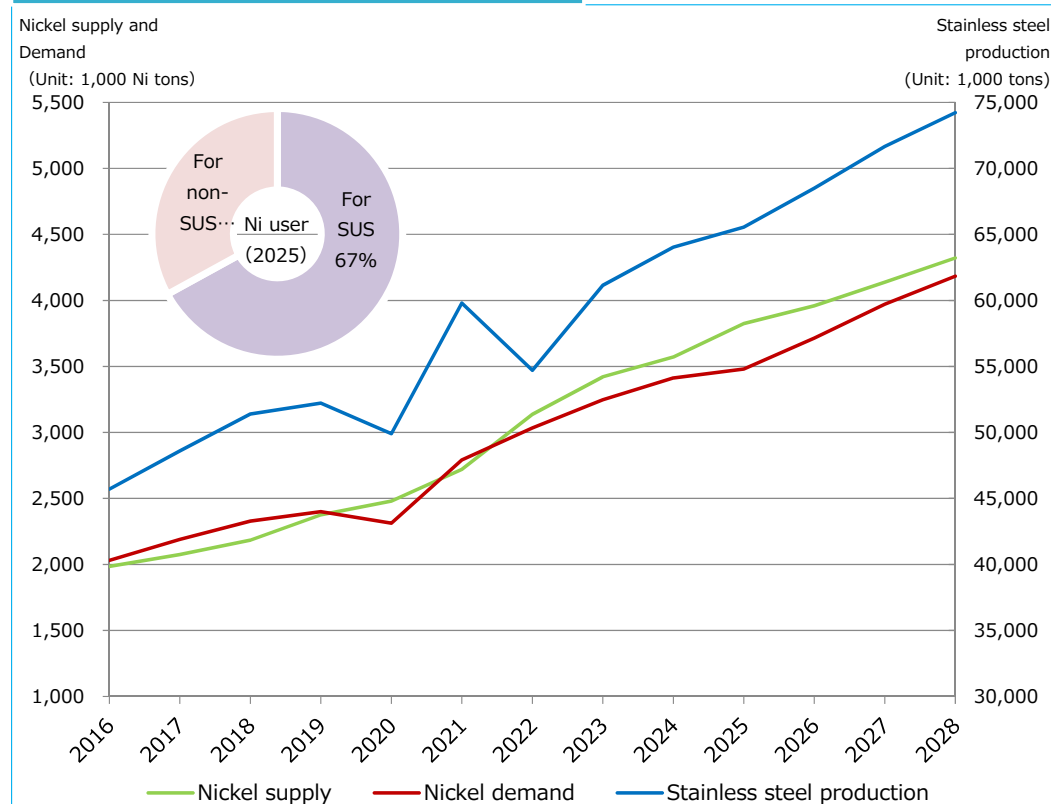
1. Trends in the Nickel Market①

* Survey by Pacific Metals

Trends in LME Nickel Prices and Nickel Inventory Volumes



Trends and Outlook for Stainless Steel Production and Nickel Supply and Demand

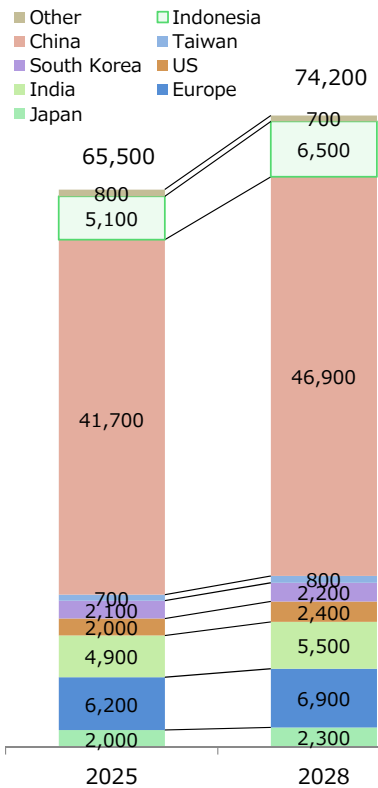


1. Trends in the Nickel Market②

* Survey by Pacific Metals

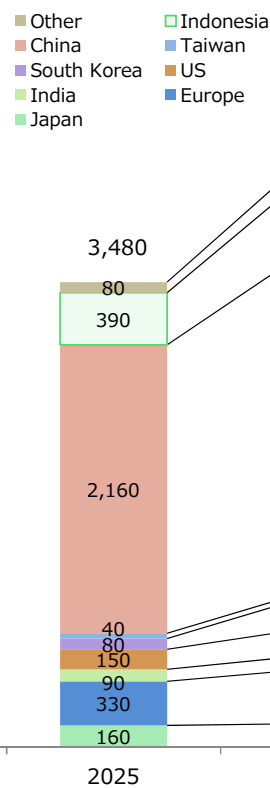
Outlook for stainless steel production

(Unit: 1,000 tons)



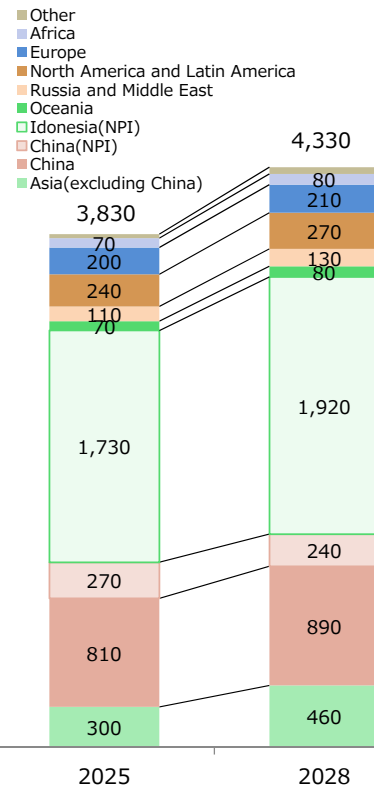
Outlook for nickel demand

(Unit: 1,000 tons)

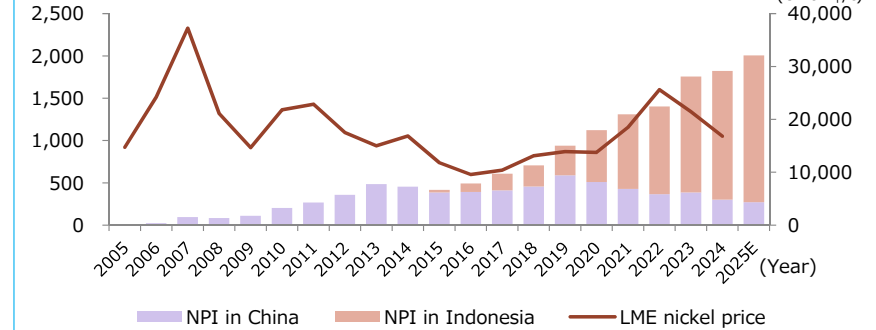


Outlook for nickel supply

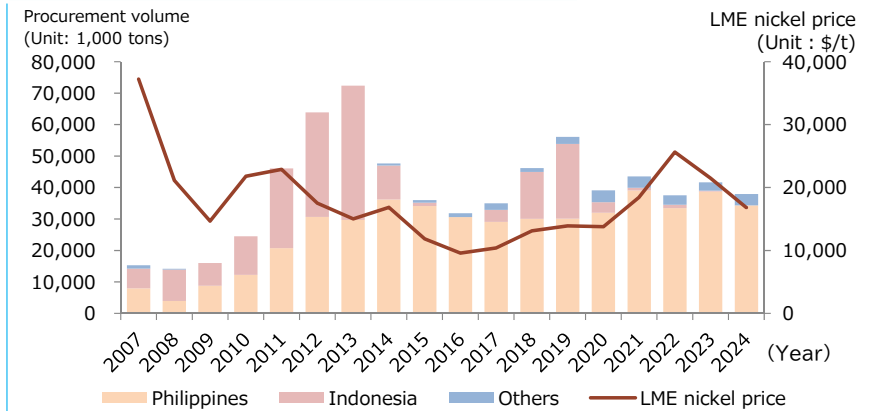
(Unit: 1,000 tons)



Nickel pig iron (NPI) production

Production volume
(Unit: 1,000 tons)

Nickel ore procurement by China

Procurement volume
(Unit: 1,000 tons)



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